

NJHMFA HOMEBUYER MORTGAGE PROGRAM



Interest Rate

Please call a participating lender for current rates or call 1-800-NJ HOUSE.

Mortgage Loan Maturity

30 year term and 40 year terms available, conventional, fixed rate, maximum 100% Loan-to-Value (LTV). Loans may also be submitted using FHA, VA or RHS guidelines (30 year term only). *Loan-to-value percentage is the unpaid balance of the mortgage principal to the appraised value or sale price (whichever is lower) of the property.*

Fees

As of June 8, 2010 there is no reservation fee required.

Eligible Properties

One-family units, including condominiums (new and existing), 2- to 4-family dwellings which have been in existence for 5 or more years. Targeted area only: any new or existing 2 unit dwelling. Urban Target Areas (UTA) are based upon census data. Therefore, in order to find out if an address is located in a UTA, you will need to identify the census tract within which the address is located. To determine if the proposed property is within an Urban Target Area (UTA), visit the Site Evaluator (http://njgin.state.nj.us/OIT_BusinessMap) and follow the instructions for *how to find census information*.

Eligible Borrowers

Individuals only. Corporations are not permitted to act as borrowers. Borrowers purchasing properties located in the statewide areas must be first time home buyers. Borrowers purchasing properties located in the targeted areas do not have to be first time home buyers, however, at the time of loan closing no other residential properties may be owned. All borrowers must have a minimum credit score of 620. The middle score from the three credit repositories – Equifax, Experian & TransUnion must be used. If a borrower has only two credit scores, the lower of the two will be used. A borrower does not qualify if they do not have a credit score or only have one credit score.

Occupancy

Property must be occupied as the borrower's primary residence within 60 days of closing. Borrower must maintain occupancy for the life of the loan.

Mortgage Insurance

The following coverage is required on all conventional loans and is determined by downpayment.

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| 100% to 97.01 LTV | 40% coverage regardless of loan term. (Applies to one family units only) |
| 97% to 95.01% LTV | 35% Coverage for a 30 year term |
| 95% to 90.01% LTV | 30% coverage regardless of loan term |
| 90% to 85.01% LTV | 25% coverage regardless of loan term |
| 85% to 80.01% LTV | 12% coverage regardless of term |

Loans processed under the FHA, VA and/or RECD guidelines must have the appropriate insurance or guarantee.

Homebuyer Education

All Community Home Buyers Program borrowers must participate in lender sponsored counseling sessions and be issued a certificate upon completion.

Downpayment Requirements

For conventional loans, insured with private mortgage insurance, downpayments as low as 0% are acceptable. If FHA insurance is used, the downpayment is based on mortgage amount and varies from 3-5%. VA and RECD do not require downpayments.

Closing Costs

Borrower may fund closing costs with gifts or unsecured loans from non-profit organizations or public entities. Escrow payments must be paid from borrower's liquid assets.

Income Limits

Income limits for all mortgage programs are determined by the area of purchase as well as family size (listed on separate sheet).

Purchase Price Limits

Purchase price limits exist for both the statewide and target areas. Loans submitted using FHA, VA and/or RECD guidelines must adhere to FHA or HMFA guidelines (whichever is lower) regarding purchase price limits or mortgage loan limits.